

VOUCHERS / FOOD FOR WORK (FFW) / CASH AID

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Purpose: This paper reviews lessons learned from USAID and other international development organization programs that have used vouchers, FFW and cash aid. The information comes from USAID and PVO evaluations and other documents as well as other donor materials. Evaluations and assessments of international development projects including vouchers, FFW and/or cash aid are few; nevertheless, academic and theoretical literature on these types of aid is not included in the lessons learned below.

Implementation/Operational Issues

1. How/why did the implementers decide to use vouchers or cash, instead of other forms of relief assistance (food assistance, commodities):

- Catholic Relief Services (CRS) has found that local seed fairs and vouchers work best when: “farmers have suffered total crop loss as a result of conflict or natural disaster; farmers were displaced due to conflict and were not able to harvest their crops; farmers were unable to sow their crops due to an emergency-related disruption; farmers’ food and seed stocks were stolen as a result of rebel attacks; internally Displace Persons (IDPs) are returning to their homes or refugees are settling on land allocated to them.” (*Seed Vouchers and Fairs*, 2002; p. 25)¹
- Local seed fair and voucher programs were instituted in southern Sudan because the prior experience of CRS in Africa had shown that (*Seed Vouchers and Fairs*, 2002 ;25):²
 - Imported seed (i.e., seed aid) often did not do as well as local seed that would be obtained at the local seed fairs
 - Seed choice and quality is left to the judgment of farmers (e.g., at a seed fair in Kenya, farmers were able to purchase seed to plant during the short rainy season that became available from traditional seed distribution programs after the planting season had already passed)
 - Vouchers are cost effective, simple to implement, monitor and evaluate
 - Process is open and transparent
 - Seed fairs can be planned and implemented in a short period of time
 - Seed fairs and vouchers serve the needs of large families who find it difficult to access (quality) seed
 - The approach can be modified to suit the level of seed insecurity
 - Cash is almost impossible to monitor because cash can be exchanged for anything, not just seed; whereas vouchers can be tracked – identifying quantities and types of crops purchased as well as where surplus seed is available.
 - Seed fairs and vouchers are best used when there is **not** concurrent food insecurity. Where there is food insecurity, seed fairs and food distribution must be held concurrently

- A “Food for Work” program was used in Sierra Leone “to encourage resettlement and a return to agricultural livelihoods...The strategy shifted emphasis away from general food distribution in camps to targeted, community-based efforts promoting resettlement, agricultural recovery, and the reconstruction of local infrastructure.” (*Disaster Reduction*, 2002; p. 52.)³
- Due to the devastating effects of the earthquakes [in El Salvador] on micro-business, USAID launched a \$1 million Productive Asset Grant (PAG) voucher program in order to reconstruct the small business sector to meet short-term needs of income generation and market distribution of goods as well as to meet long-term developmental goals of income and market growth. (USAID, El Salvador Mission, 2002?)⁴
- USAID PVOs found that the normal FFW programs exhibited a capacity to expand during times of food scarcity as in the drought of 1987-88, without the dependency-creating effects of social welfare schemes. (Bryson, 1991; 7)⁵

2. How did the activity TARGET the beneficiaries?

- Working with local organizations already on the ground (most often the World Food Program)⁶, government (which often had *beneficiary lists*) and most importantly local leaders, CRS seed fair and voucher programs instituted a three stage process of identifying the beneficiaries:⁷
 - *National to regional*: Identified and prioritized areas needing seed aid; determined quantities and when seed needed;
 - *Within regions*: Divide numbers among regions/districts; beneficiary targeting based on predefined criteria
 - *Within communities, i.e., beneficiaries*: Work with local government/leaders to select and identify households
- “Participation of village leaders facilitated the relief effort and contributed a sense of partnership. Asking village leaders to participate in beneficiary verification gave credence to the identification process and supported community accountability.” (*Disaster Reduction*, 2002; p. 53)⁸
- Community health volunteers and other leaders felt the beneficiaries [of the ADRA Supplemental Feeding program in Indonesia] were well targeted as they were from the poorer section of the community – families who were earning very little money and who were usually eating only two meals a day.” (Siregar, 2000; 5)⁹
- “The [PAG] voucher program [in El Salvador] provided grants to micro and small entrepreneurs who lost their clients, business equipment or had their business damaged in some way as a result of the earthquakes. These entrepreneurs were

located in 64 municipalities of the five most severely affected departments of El Salvador.” (USAID, El Salvador Mission, 2002?)¹⁰

3. What SECURITY measures were in place?

- CRS distributed vouchers on the day of the seed fair based on past experiences with losses and cheating when there had been a gap between distribution of vouchers and the seed fair. (*Seed Vouchers and Fairs*, 2002; p.43)¹¹
- Before and during seed fair, check how much seed is available and whether there are enough sellers. It is important to regulate the market in order to maintain the bargaining power of the beneficiaries...If needed, give beneficiaries only part of their eligible vouchers; they can collect their remaining vouchers on the next day of the fair when more seed is available. (*Seed Vouchers and Fairs*, 2002; p. 43)¹²
- CRS maintained a database on voucher holders, seed sellers, crop and variety quantity exchanged and pricing as well as carried out an *ex post* evaluation with a sample of voucher holders and seed sellers to improve future programs. (Remington et al, 2002; p. 321)¹³

4. How did they avoid CORRUPTION at all levels of the program?

- Special seed fairs were held for only one day in order to reduce the potential for collusion between seed sellers and voucher holders as well as to reduce the possibility of individuals purchasing seed with vouchers on one day and then turning around to sell seed for cash on the following day. (*Seed Vouchers and Fairs*, 2002; p. 47)¹⁴
- “Pricing is without doubt the most challenging aspect of the voucher approach. To ensure equity and prevent profiteering, the implementers on the ground should be flexible and creative, and should have the authority to make changes on the spot if needed....The pricing strategy should be based on local market prices, and should be decided jointly by traders, beneficiaries, and civil authorities. CRS found that at most fairs, seed is generally sold at higher than market price.” This is not generally a problem unless the price differential is more than 20-25%. (*Seed Vouchers and Fairs*, 2002; p. 45)¹⁵
- “The payment [to seed sellers] system should be established and agreed upon in advance. Points to consider include currency of payment, documentation (ID) required, when payment will be made...and where sellers will be paid. The same form used for seller registration can be used for payment. Sellers should be paid at a secure location with few people around. To collect payment, sellers must submit the vouchers they have collected, along with the registration ticket issued to them during registration. After receiving the cash, they should sign their name or fingerprint, indicating that they have received the specified cash amount. The

implementing agency can then use this form to account for the cash distributed during the seed fair.” (*Seed Vouchers and Fairs*, 2002; p. 47)¹⁶

Economic Impact of the voucher or cash program

1. Direct impact on livelihoods (includes what they spent the money on and whether the amount of cash sufficient to make a difference)?

- Except in cases where voucher recipients faced food insecurity, they used the vouchers to obtain seed for planting. [In Sudan] they tended not to eat the seed nor to trade in the vouchers for a diminished cash value. (*Seed Vouchers and Fairs*, 2002; p. 47)¹⁷
- Over 300 housing certificates were issued to families in two Armenian towns devastated by the 1988 earthquake. The certificates were valued at the price for average housing in each city. Only families still in temporary housing 12 years after the earthquake were eligible for the certificates. Fewer than 5% of certificate holders did not purchase permanent housing within six months of receipt of the certificates due to problems outside the scope of the voucher program. (Anlian and Polen, September 2001; p.3)¹⁸
- “The CRS [Catholic Relief Services] FFW program in India, implemented between 1981-84, reached poor peasants with less than 5 acres who were below the official poverty line. The activities supported a three-fold increase in cropped area. Agricultural output and household income increased between 39% and 70%.” (Bryson, 1991; p. 7)¹⁹
- “Evaluations of FFW following the Guatemalan earthquake [in the 1980s] indicates that FFW in natural disasters is a useful technique for maintaining family consumption and restoring infrastructure.” (Bates et al as cited by Bryson, 1991; P. 8)²⁰

2. Indirect impact on the local economy (markets, prices, inflation, and conflict dynamics)?

- “In general, small farmer seed sellers were women, market grain traders were mixed and stockists and seed companies were men. Seed vouchers and fairs provide equal opportunity to a wide range of potential seed sellers. Not surprisingly, gross value of sales increases from farmer seed sellers to market grain traders to commercial seed companies and dealers.” (Remington et al, 2002; p. 323)²¹
- A positive impact on the local economy can be gained “by encouraging voucher holders to buy locally so as to prevent the proceeds from the sale leaving the community – as was the case at sites in Kenya in 2001.” (Remington et al, 2002; p. 325)²²

- The seed fair and voucher program “was timely and efficient. [The] seed fairs met the seed requirements of a large number of vulnerable households [in Tanzania].” (*Disaster Reduction*, 2002; p. 22)²³
- “The voucher system injected money into the local village economy (rather than placing it with outside agencies), thus stimulating local businesses by putting extra cash into circulation.” (*Disaster Reduction*, 2002; p. 22)²⁴
- “Controlled studies of FFW in Bangladesh found that infrastructure development...had a statistically significant, positive impact on agricultural income, cereal production, employment, and labor and land productivity. (IFPRI and the Bangladesh Institute of Development Studies as cited by Bryson, 1991; p. 7)²⁵

3. Intra-household and gender dynamics: (who in the family received the cash and were their differences in spending based on who was given the money?)

- “The majority of FFW participants [in ADRA’s Indonesia project] were women who were unemployed and able to participate. Their children were at school during the working hours and some arranged for neighbors to care for their young if they were not yet in school. Many indicated that there were no other work opportunities and that the hours of the programs were appropriate to their available times.” (Siregar, 2000; 5)²⁶
- “2,521 people received vouchers [in the PAG program in El Salvador] in the amount of \$400 each. 76 percent of these recipients were women. Most of them have children under 18 or elderly family members who are economically dependent on them. These vouchers enabled the beneficiaries to purchase productive assets, such as production equipment, raw materials, commercial inventory, and construction materials....The PAG micro-entrepreneurs had monthly sales of \$1.35 million prior to the earthquake and by December 2002 their sales were expected to reach \$1.44 million....At the household level, the PAG micro-entrepreneurs will generate increased sales of \$2,868 over two years resulting in a \$489 per household increase in income. The PAG program helped to protect over 6,000 jobs within these micro-enterprises.” (USAID, El Salvador Mission, 2002?)²⁷

Social-psychological Impact of the Program

1. Did the assistance provide greater respect for the dignity of the recipients? (Based on evidence.)

- Food for Work (FFW) programs in chronically vulnerable Niger have been able to address immediate needs for food, shelter and security “while strengthening local capacities to respond to future emergencies....The programs provided an important combination of food delivery, productivity-enhancing interventions,

increased civil participation, and self-determination. Rehabilitation of the natural resource base [through FFW] helped increase agricultural and livestock production and mitigated the impact of floods and drought... Government organizations, technical committees and local community members worked together to help prepare for future disasters.” (*Disaster Reduction*, 2002; p. 55)²⁸

¹ Since 2000, Catholic Relief Services has conducted seed fairs in Uganda, Tanzania, Kenya, Burundi, and Sierra Leone. The fairs proved successful, and CRS extended them to southern Sudan as an alternative to conventional seeds-and-tools distribution. See *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

² *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

³ *Disaster Reduction: A Practitioner's Guide*. (November 2002) USAID, USAID/DCHA and OFDA. Washington, D.C: p. 52.

⁴ USAID, El Salvador Mission. “Economic Growth and Education.”

[Http://www.usaid.gov/sv/ege/egeact7.htm](http://www.usaid.gov/sv/ege/egeact7.htm)

⁵ Bryson, Judy C., John P. Chudy and James M. Pines. *Food for Work. A Review of the 1980s with Recommendations for the 1990s*. Prepared for USAID under Contract No. OTR-0700-C-00-9133-00, PIO/T No. 0381800. February 1991.

⁶ Remington, Tom, Jeremiah Maroko, Stephen Walsh, Paul Omanga and Edward Charles. “Getting Off the Seed-and-Tools Treadmill with CRS Seed Vouchers and Fairs” in *Disasters*. Vol. 26, No. 4 (2002): 321.

⁷ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

⁸ *Disaster Reduction: A Practitioner's Guide*. (November 2002) USAID, USAID/DCHA and OFDA. Washington, D.C: p. 53.

⁹ Siregar, Ferdinand. “Final Evaluation. Food for Work and Supplemental Feeding Project” submitted by Adventist Development and Relief Agency International, Indonesia Office to USAID, 497-A00-98-00023-00 and FFP-G-00-98-00058.

¹⁰ USAID, El Salvador Mission. “Economic Growth and Education.”

[Http://www.usaid.gov/sv/ege/egeact7.htm](http://www.usaid.gov/sv/ege/egeact7.htm)

¹¹ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹² *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹³ Remington, Tom, Jeremiah Maroko, Stephen Walsh, Paul Omanga and Edward Charles. “Getting Off the Seed-and-Tools Treadmill with CRS Seed Vouchers and Fairs” in *Disasters*. Vol. 26, No. 4 (2002): 321.

¹⁴ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹⁵ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹⁶ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹⁷ *Seed Vouchers and Fairs: A Manual for Seed-based Agricultural Recovery in Africa* by CRS in collaboration with Overseas Development Institute and International Crops Research Institute for the Semi-Arid Tropics at <http://www.foodaid.org/Tzehay/crs8199.pdf>. (2002).

¹⁸ Anlian, Steve and Sarah Polen. "Armenia Quarterly Task Order Progress and Cost Report, September 2001" under Contract No. EEU-I-99-00015-00, Task Order 804 by the Urban Institute for USAID. http://www.dec.org/pdf_docs/PDABU202.pdf.

¹⁹ Bryson, Judy C., John P. Chudy and James M. Pines. *Food for Work. A Review of the 1980s with Recommendations for the 1990s*. Prepared for USAID under Contract No. OTR-0700-C-00-9133-00, PIO/T No. 0381800. February 1991.

²⁰ Bryson, Judy C., John P. Chudy and James M. Pines. *Food for Work. A Review of the 1980s with Recommendations for the 1990s*. Prepared for USAID under Contract No. OTR-0700-C-00-9133-00, PIO/T No. 0381800. February 1991.

²¹ Remington, Tom, Jeremiah Maroko, Stephen Walsh, Paul Omanga and Edward Charles. "Getting Off the Seed-and-Tools Treadmill with CRS Seed Vouchers and Fairs" in *Disasters*. Vol. 26, No. 4 (2002): 323.

²² Remington, Tom, Jeremiah Maroko, Stephen Walsh, Paul Omanga and Edward Charles. "Getting Off the Seed-and-Tools Treadmill with CRS Seed Vouchers and Fairs" in *Disasters*. Vol. 26, No. 4 (2002): 325.

²³ *Disaster Reduction: A Practitioner's Guide*. (November 2002) USAID, USAID/DCHA and OFDA. Washington, D.C.

²⁴ *Disaster Reduction: A Practitioner's Guide*. (November 2002) USAID, USAID/DCHA and OFDA. Washington, D.C.

²⁵ Bryson, Judy C., John P. Chudy and James M. Pines. *Food for Work. A Review of the 1980s with Recommendations for the 1990s*. Prepared for USAID under Contract No. OTR-0700-C-00-9133-00, PIO/T No. 0381800. February 1991.

²⁶ Siregar, Ferdinand. "Final Evaluation. Food for Work and Supplemental Feeding Project" submitted by Adventist Development and Relief Agency International, Indonesia Office to USAID, 497-A00-98-00023-00 and FFP-G-00-98-00058.

²⁷ USAID, El Salvador Mission. "Economic Growth and Education." <http://www.usaid.gov/sv/ege/egeact7.htm>

²⁸ *Disaster Reduction: A Practitioner's Guide*. (November 2002) USAID, USAID/DCHA and OFDA. Washington, D.C.